

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)

No. D06-333)

UNITED HEALTHCARE)
INSURANCE COMPANY,)CONSENT ORDER
IMPOSING A FINE)An Authorized Insurer)
_____)Findings of Fact:

1. United Healthcare Insurance Company ("UHIC") is authorized to conduct insurance business in Washington State. It issues life and disability insurance. It is a "carrier" as defined in RCW 48.43.005.

2. On September 20, 2004, The Office of the Insurance Commissioner ("OIC") received a complaint concerning the content of UHIC's Provider Agreements with ACN Group, Inc., its chiropractic provider network. The complainant noted several alleged violations of state law contained in the provider agreements then in use by UHIC. Among other problems, the agreements allegedly contained a retroactive denial provision, prohibited by RCW 48.43.525, as well as incorporation by reference of an operations manual, a violation of WAC 284-43-320(4).

3. As result of OIC's subsequent review of the ACN Provider Agreements, UHIC was apprised that the OIC was withdrawing it prior approval for cause by OIC "Disapproval Letter" dated October 25, 2004.

4. Notwithstanding the unequivocal withdrawal of OIC's approval of the Provider Agreements, UHIC thereafter added thirty-three new chiropractors to the ACN provider network using the disapproved Provider Agreements, until October 13, 2005.

5. For the next year and a half, UHIC repeatedly submitted revised, but still non-compliant drafts of the Provider Agreements to OIC, often containing the same provisions that had been previously disapproved. Acceptable Provider Agreements were finally approved by OIC on May 31, 2006, after numerous delays.

6. UHIC did not attempt to comply with the requirement, effective on January 1, 2001, that its Provider Network Form A (participating provider list) be filed electronically with OIC. After OIC made numerous telephone calls and email requests for such filing, UHIC made its first

attempt to file using the integrated provider network database ("IPND") on or about April 1, 2005.

7. UHIC continually failed to submit timely, complete and accurate filings on the OIC's file transfer protocol site. UHIC failed to use the OIC's validation program to check database submissions for correctness prior to filing, relying rather on OIC staff to verify and report back on errors. As of June 6, 2006, 97.4% of United Healthcare's database submissions were accepted as correctly filed.

Conclusions of Law:

1. By continuing to use a Provider Agreement that had been disapproved for cause by OIC, UHIC violated WAC 284-43-330, which provides that a health carrier file a sample form of its provider agreements at least 15 days prior to use. If the form is not affirmatively disapproved within the fifteen days, if not extended, it may be deemed approved. OIC approval may be withdrawn at any time for cause.
2. By failing to timely submit complete and accurate provider network information to OIC, UHIC violated RCW 48.43.515, which requires carriers to assure that enrollees have adequate choice among health care providers, and that they abide by rules adopted by the commissioner to implement such adequacy.
3. By failing to timely file complete and accurate provider network information to OIC, UHIC violated WAC 284-43-220, which requires that carriers electronically file a "Provider Network Form A" as prescribed by the Commissioner.
4. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

UHIC consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. UHIC consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken by the Insurance Commissioner, related to the subject matter of this Order.
2. Within thirty days of the entry of this Order, UHIC will pay to the Insurance Commissioner a fine in the amount of \$59,500.00 (fifty nine thousand five hundred dollars).
3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by UHIC in Washington State. It will

also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 29 day of November, 2006.

UNITED HEALTHCARE INSURANCE COMPANY

By: Mary L. Stanislav

Printed Name: MARY L. STANISLAV

Printed Corporate Title: ASSISTANT SECRETARY

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

Order:

1. United Healthcare Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$59,500.00 (fifty nine thousand five hundred dollars).
2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 1st day of December, 2006

MIKE KREIDLER
Insurance Commissioner

By: Marcia G. Stickler
Marcia G. Stickler
Legal Affairs Division